

Morton C. Batt
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April 26, 2005

Honorable Nancy Gertner
United States District Court
District of Massachusetts
1 Court House Way
Boston MA 02210

RE: Desmond v. CitiStreet, et al.
Docket No.: 05-cv-10355 NG
Temporary Restraining Order

Dear Judge Gertner:

At the conclusion of the April 1, 2005 hearing on the captioned matter, I initiated a conversation with Thomas Smith, as per your direction, in an effort to reach an agreement regarding the immediate use of plan assets to pay for the cost of preparing Form 5500 without objection from the plaintiffs. The preparation of Form 5500 with an accompanying audit is required by the Department of Labor for 401 (k) plans.

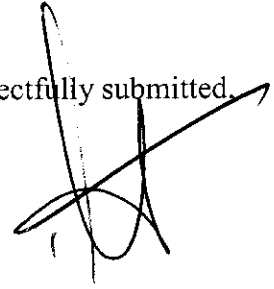
I have, since the time of the hearing, exchanged several letters with Mr. Smith and, based on his replies dated April 12 and 25, conclude that there is no objection by the plaintiffs to the immediate use of plan assets to pay for the cost of preparing Form 5500 and accompanying audits for the years of 2000 through 2004 inclusive. Attached please find a copy of the following letters between Mr. Smith and myself:

EXHIBIT A - Letter dated April 11, 2005 from Batt to Smith
EXHIBIT B - Letter dated April 12, 2005 from Smith to Batt
EXHIBIT C - Letter dated April 19, 2005 from Batt to Smith
EXHIBIT D - Letter dated April 25, 2005 from Smith to Batt

Accordingly, I intend to direct the preparation of Form 5500, along with the accompanying audits, and instruct CitiStreet to deduct \$22,250.00 from assets of the plan and properly allocate the deductions to the accounts of each plan participant.

I intend to initiate the above administrative action unless Mr. Smith, on or before May 06 2005, disagrees with my conclusion and objects to the described immediate use of plan assets in the amount of \$22,250.00

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Morton C. Batt', written over the words 'Respectfully submitted,'.

Morton C. Batt
pro se

cc:

Henry C. Dinger, Esq.
Ronald M. Jacobs, Esq.
Michael O. Kassak, Esq.
Michael F. Kraemer, Esq.
Anthony L. Scialabba, Esq.
Thomas P. Smith, Esq.

EXHIBIT A

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April 11, 2005

Thomas P. Smith, Esq.
Caffrey & Smith
300 Essex Street
Lawrence MA 01840

RE: Desmond v. CitiStreet, et al.
Temporary Restraining Order
Forms 5500 for December 31, 2003 and 2004

Dear Mr. Smith:

Pursuant to the recommendation of Judge Gertner and in furtherance of our conversation in Court I again ask for your agreement, notwithstanding whatever TRO relief the Court may grant, that the \$16,500 cost for preparing Form 5500 may be paid from plan assets.

As you will recall, I will be using the services of Redwood Administrators to prepare the forms and the services of the CPA firm of Detweiler Hershey & Associates to perform the audit required as part of the filing. Redwood is requesting a fee of \$750 for each return and Detweiler Hershey has forwarded a proposed engagement letter in which they ask for a retainer of \$15,000.00 for the audit.

Your prompt and desired positive reply is respectfully requested so that the SAC 401 (k) Plan may timely comply with the DOL rules and regulations and allow me to fulfill my duties as Trustee with regard to preparing and filing the captioned forms. If I do not hear from you by Friday, April 15th 2005 I will assume you have no objection to the above request and will proceed with the stated plans.

Very truly yours,

Morton Batt

EXHIBIT B

Caffrey & Smith, P.C.

*Thomas J. Caffrey
Matthew A. Caffrey
Thomas P. Smith
Alanna Caffrey Rosenberg
Sumner Obeid
also admitted in N.H.

*P.O. Box 1317
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E-Mail: TSMITH@CAFFREYSMITH.COM*

April 12, 2005

By First Class Mail & Telecopy: 561-868-2137 (1 Page)

Mr. Morton C. Batt
2424 NW 63rd Street
Boca Raton, FL 33496-3626

Re: Mary Desmond, et al. v. Morton C. Batt, et al;
U.S.D.C. Mass. Civ. A. No. 05-cv-10355 NG

Dear Mr. Batt:

The Plaintiffs would be willing to consent to your immediate retention on behalf of the plan of the accounting firm Feeley & Driscoll, P.C. to audit the Standard Automotive 401K Plan at the firm quote of \$15,000 and to prepare and file 5500s for a cost of \$750 per year.

Although I have not personally worked with the firm before, I understand that Feeley & Driscoll audits more than 100 ERISA plans each year and is considered one of the leading firms for this type of work.

You can contact Thomas Feeley, Managing Director at 617-456-2400. The firm is located at 200 Portland Street, Boston, MA 02114. More information is available on the web at www.fdcpa.com.

I understand that their quote is a firm quote for the work(not a retainer request such as you have received from Detweiler & Hershey).

Very truly yours,


Thomas P. Smith

Encls.

EXHIBIT C

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April 19, 2005

Thomas P. Smith, Esq.
Caffrey & Smith
300 Essex Street
Lawrence MA 01840

RE: Desmond v. CitiStreet, et al.
Temporary Restraining Order
Forms 5500

Dear Mr. Smith:

Your prompt response to my previous letter is very much appreciated.

During the past week several events transpired which impact my previous request regarding the preparation of Form 5500 and your recommendation for me to engage the firm of Feeley & Driscoll.

As you may recall from our telephone conference call of March 15th I advised you a decision had been made prior to my appointment that Forms 5500 for 2000, 2001 and, 2002 would not be filed due to the inability of the auditors to confirm the accuracy of information coming from CitiStreet. We have now been advised that the Department of Labor has requested that the 5500 for those years be filed even if the accuracy of information contained therein cannot be verified through an audit. Accordingly I intend to comply with the DOL request and contemporaneously have Form 5500 prepared and filed for the years 2000 through 2004 inclusive.

Upon receiving your reply of April 12 I contacted Detweiler Hershey and asked them to re-visit their request for a \$15,000 retainer and provide me with a "firm" quote for auditing the 2003 and 2004 returns. DH has now provided me with a "firm" quote of \$12,500 to prepare those audits. I also, at your suggestion, contacted Thomas Feeley to discuss the potential engagement of his firm.

During our telephone conversation, which took place on Thursday April 14th, Mr. Feeley was provided with a chronology of events regarding the difficulties encountered in obtaining accurate information from CitiStreet, the unfiled 5500 Forms, the inability to verify individual account balances and, the most recent DOL request to have all missing years filed. I then asked for a quote to have his firm complete the preparation and audit of Form 5500 for the years 2000 through 2004 inclusive. I also asked to be provided with a quote for attempting to verify individual account balances.

When Mr. Feeley replied that he wanted to speak with you about my requests he was informed that I would be the client engaging his services. The conversation concluded with Mr. Feeley stating he wanted to give the matter further thought and would call me back the next day.

Detweiler Hershey, which already began the audits for years 2000 through 2002 inclusive, has provided me a firm quote of \$6,000 to complete those audits and Redwood Associates requests a fee of \$750 for preparing each of those returns.

At this time the substituted use of Feeley & Driscoll to prepare the 5500 returns and related audits rather than Detweiler Hershey and Redwood does not appear to offer any additional benefit to the plan or the beneficiaries.

Therefore I again ask for your agreement to use the services of Redwood and Detweiler Hershey at an amended cost of \$22,250 which may be paid from plan assets.

If I do not hear from you by Monday, April 25, 2005 I will assume you have no objection to the above request and will proceed with the stated plans.

Very truly yours,

Morton Batt

cc:

Terri M. Archer, CPA

Henry C. Dinger, Esq.

Thomas Feeley, CPA

Ronald M. Jacobs, Esq.

Michael O. Kassak, Esq.

Michael F. Kraemer, Esq.

Anthony L. Scialabba, Esq.

Geoffrey M. Strumk, Esq.

EXHIBIT D

Caffrey & Smith, P.C.

*Thomas J. Caffrey
Matthew A. Caffrey
Thomas P. Smith
Alanna Caffrey Rosenberg
Suzanne Olsoid
Admitted in N.H.*

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April 25, 2005

By First Class Mail & Telecopy: 561-868-2137 (1 Page)

Mr. Morton C. Batt
1424 NW 63rd Street
Boca Raton, FL 33496-3626

Re: Mary Desmond, et al. v. Morton C. Batt, et al;
U.S.D.C. Mass. Civ. A. No. 05-cv-10355 NG

Dear Mr. Batt:

I respond to your letter dated April 19, 2005 regarding the use the services of Detweiler & Hershey. My clients and I neither agree nor disagree to your actions with regard to that firm. At this point, we have not been provided with the background documentary information requested at the inception of the litigation. As a result, we lack the information necessary to make an informed decision. I note that you have not followed our suggestion of using Feeley & Driscoll, a respected firm in this area, to conduct the audits.

Accordingly, as the current plan fiduciary, you must proceed as you see fit in accordance with your fiduciary duties and accepting full legal responsibility for any decisions you make.

Very truly yours,

Thomas P. Smith

Encls.